

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: April 25, 2019

PAYROLL LETTER #19-008
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Marissa Revelino, Chief
Personnel and Payroll Services Division

RE: 2019 EXCLUDED EMPLOYEE LEAVE BUY-BACK PROGRAM

This Payroll Letter provides information on how to process payments for the 2019 Excluded Employee Leave Buy-Back Program. For details of the program, please reference [CalHR's Human Resources Manual Section 2104](#).

Departments electing to participate must submit payment requests beginning May 1, 2019 and no later than June 25, 2019. Per CalHR, payments must be charged to the fiscal year 2018-2019 and issue dated by June 26, 2019. The payments are based on the employee's hourly or daily salary rate multiplied by the number of hours/units bought back.

For employees that receive pay differentials, each pay differential should be reviewed. If the pay differential indicates "yes" to "lump sum vacation" or "lump sum extra" the pay differential amount shall be included when calculating the eligible employee's hourly or daily salary rate for purposes of the buy-back. Refer to CalHR's website at <http://www.calhr.ca.gov/state-hr-professionals/Pages/pay-differentials.aspx> for pay differential information. If the employee participates in the Voluntary Personal Leave Program (VPLP), the VPLP amount must be included when calculating the hourly or daily rate for purposes of the buy-back.

TAXES

The payments are NOT subject to retirement. The payments are subject to other mandatory deductions (where applicable) and the tax rates are as follows:

- 22% Federal Tax (flat rate)
- 6.6% State Tax (flat rate)
- 6.2% Social Security (if applicable)
- 1.0% State Disability Insurance (if applicable)
- 1.45% Medicare (if applicable) **OR**
- 2.35% Medicare for wages over \$200,000 (if applicable)

ELIGIBILITY

All employees who elected to participate in the One-Time Buy-Back/Cash out for employees affected by Wildfires are not eligible to participate in the fiscal year 18-19 cash out. Please reference [SCO Pay Letter-#18-025](#) and [CalHR's Human Resources Manual Section 2104](#) for additional information.

PROCESSING PAYMENTS FOR CASH OPTION

Submit all payment requests via the PIP System. Use form STD. 671, Miscellaneous Payroll/Leave Actions to document the information to enter into the PIP System and keep forms for department records. Please see instructions below to complete the form STD. 671.

PIP Earnings IDs for non-CLAS Departments

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave and Vacation Buy-Back	9V
Holiday Credit Buy-Back	9H
Personal Holiday Buy-Back	9P
Personal Leave Program Buy-Back (1992, 2003, 2010 - 2012)	99*
VPLP Buy-Back	99*

PIP Earnings IDs for CLAS Departments

The following Earnings IDs will issue Leave Buy-Back payments and update CLAS leave benefits.

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave Buy-Back	AL34
Holiday Credit Buy-Back	HC34
Holiday Credit - Work on Holiday – Buy-Back	HT34
Personal Holiday Buy-Back	PH34**
1992 Personal Leave Program Buy-Back	PL36*
2003 Personal Leave Program Buy-Back	LD36*
2010 Personal Leave Program Buy-Back	LP36*
2012 Personal Leave Program Buy-Back	LV36*
VPLP Buy-Back	PV36*
Vacation Buy-Back	VA34

*For the 2019 Excluded Employee Leave Buy-Back Program, Earnings ID's 99, PL36, LD36, LP36, LV36 and PV36, "Cash Out" transactions, will be used to issue Buy-Back payments.

**Personal Holiday is cashed out in units, not hours. When using PH34, units must be keyed as days.

Before keying via PIP, complete form STD. 671, items 1-3, 15-17, and 19-21 as follows:

<u>ITEM NUMBER</u>	<u>ITEM NAME</u>	<u>ACTION</u>
1-3	Pay Period	Complete
15	Earnings ID	Complete
16	Days	Complete with PH units if Earnings ID = PH34
17	Hrs/Hdths	Blank if Earnings ID = 9V, 9H, or 9P Complete if Earnings ID = 99, AL34, HC34, HT34 VA34, PL36, LD36, LP36, LV36, or PV36
19	Hourly Rate	Blank
20	WWG/FLSA	Blank
21	Computed Gross	Blank if Earnings ID = 99, PL36, LD36, LP36, or LV36 Complete if Earnings ID = 9V, 9H, 9P, AL34, HC34, HT34, PV36, VA34 or PH34

FORM STD. 674 PAYMENT REQUESTS

Earnings IDs 99, PL36, LD36, LP36 and LV36 will issue as Payment Type 1 (overtime). For these Earnings IDs submit a form STD. 674 to request pay only if:

1. The employee's Leave Buy-Back hourly rate includes premium differentials that are NOT locked-in on the employee's employment history record, or
2. The employee's premium pay is locked-in and the premium pay rate is not included in overtime payments, but should be included in the Leave Buy-Back hourly/daily rate. Please Refer to CalHR's website at <http://www.calhr.ca.gov/state-hr-professionals/Pages/pay-differentials.aspx> for pay differential information.

NOTE: Earnings IDs AL34, HC34, HT34, PH34, PV36, and VA34 will generate as Payment Type 9 with associated suffixes V, H, P, or 9 payment. Also, the payments will not reflect hours or days paid on the Payroll On-Line Information System (POIS), or the warrant/direct deposit advice.

If an employee is off pay status during May 2019 or June 2019, pay must be requested via form STD. 674. If requesting payment using form STD. 674, do not use the CLAS Earnings IDs. Refer to PPM Section G 105 for form STD. 674 completion instructions.

Please direct questions regarding Leave Buy-Back payments to the Statewide Customer Contact Center at (916) 372-7200. Questions regarding CLAS should be directed to the CLAS Liaison at (916) 327-0756.

MR:AFB:SACS